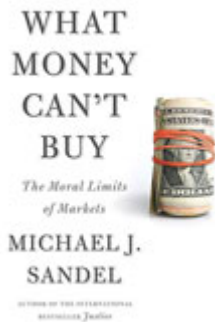


Mammon triumphant in 21st-century capitalism

Arthur Jones | Nov. 14, 2012



WHAT MONEY CAN'T BUY: THE MORAL LIMITS OF MARKETS

By Michael J. Sandel

Published by Farrar, Straus and Giroux, \$27

The 18th and 19th centuries brought the Second Great Awakening. The second half of the 20th century heralded the Great Fundamentalist Revival. The 21st century debuts with the Grand Paganism. It's not atheist writers like Richard Dawkins and the late Christopher Hitchens, however, who've edged out God.

Mammon's back. His acolyte runs for president, his enablers run the Wall Street banks, his outliers try to turn everything that you are, that you do, and that you believe in to profit. Michael Sandel, in his excellent *What Money Can't Buy*, tackles what capitalism's outliers, the marketeers, have reduced us to.

Mammon has an entire political party, hand in hand with a religious fundamentalist creed (God rewards the good in this world with this world's goods), scooping up the cream and leaving the middle class with 2 percent, the working class with 1 percent and the poor and unemployed with sour milk. For how, we turn to "Executive Excess 2012: The CEO Hands in Uncle Sam's Pocket," the Institute for Policy Studies' 19th annual report on the tax-dodging world of excessive executive compensation.

The interesting thing about these two publications is that neither appears to mention the word *capitalism*. Admittedly, the big greedies have been working awfully hard to sanitize what they do, determined to make usage of *capitalism* politically incorrect. "Free market" has a lovely Independence Day ring to it as a way to describe robbing from the poor to give to the rich, as seen in the IPS study.

But what is capitalism?

It's a tricky word that needs to be nailed down. As I've written elsewhere, in the corporate America of the 1950s it could still be used to describe the creativity of business (entrepreneurship) combined with the benefits of competition (free enterprise, the market system) with the profits going to the investors, the entrepreneur and the workers in terms of decent pay and a rising standard of living.

With the Reagan-era tax cuts and deregulation, the workers were removed from the equation.

To delve a little deeper let's look at capitalistic economic activity in three stages:

- Entrepreneurship is ignition -- the spark that creates economic activity and wealth where none previously existed. It teams together ideas, capital and human energy. Great.
- Capitalism unregulated (or lightly regulated) -- both a stage and a process. Business at risk of self-corrupting. Maintaining jobs and maintaining profits, or creating more jobs and creating more profit. But the specter at the doorway is the tendency (or temptation) to maximize the profits at the workers' expense. Needs watching.
- Mammon as Midas: Greed reigns, thoroughly corrupted, corrupting everything it touches -- from politicians to the public domain, from the commonwealth to the common good. Needs fighting tooth and nail (not easy if you can't afford dental care for the tooth, or afford to pop into Lowe's for a box of nails).

Sandel delivers up just one nauseating element of Mammon as Midas. We have been corrupted into selling who we are and what we stand for: His opening list of "everything is for sale" includes:

- Prison cell upgrades (\$82 a night) in Santa Ana, Calif.;
- Car pool lane access (\$8, Minneapolis);
- Surrogate mothers (India, \$6,250);
- An American green card (\$500,000 investment creating at least 10 jobs);
- Killing an endangered black rhino (\$150,000, South Africa);
- Your doctor's cell phone number (concierge care: price varies, like fresh fish);
- Admission to a prestigious university (big donation from Mom and Dad).

To pay for this you can:

- Rent advertising space on your forehead (Air New Zealand paid \$777);
- Be sterilized if you're a drug-addicted potential mother -- the slogan is "Don't let a pregnancy ruin your drug habit" (a North Carolina-based organization that also operates in the U.K., \$300 or 200 pounds);
- Be a drug safety trial guinea pig (\$7,500 on up);
- Be a well-armed mercenary anywhere (\$250 a month to \$1,000 a day);
- Read a book, if you are a second-grader in a lagging school (\$2, Dallas);
- Buy the life insurance policy of an ailing or elderly person in order to collect the benefit when the person dies (a \$30 billion industry).

Sick enough already?

Wading into what he calls this "market triumphalism," Sandel, a Harvard University and television personality, better than adequately tackles the lack of moral limits when capitalism is on the loose. But hang our heads in shame, Christians and Jews. An entire book on moral failure, and at no point did Sandel find it necessary to mention that the nation's moral code and social mores were based on its Judeo-Christian heritage.

Buy or borrow this book. He is excellent as he looks into capitalism's (not a word he uses) despoliation of the public realm. It ought to be called *What Money Shouldn't Be Permitted to Buy* and the debate built around that.

The Institute for Policy Studies' 'Executive Excess 2012' reports that in 2010 and 2011 a quarter of America's 100 highest-paid CEOs took home more in pay than their corporations paid the U.S. in taxes. Two of those firms were Citigroup and AIG, both bailed out by taxpayers. In total, these 25 corporations have 533 subsidiaries in tax havens such as the Cayman Islands, Bermuda and Gibraltar.

The CEOs' hands in Uncle Sam's pocket -- to use the institute's neat phrase -- mean that 'the four most direct tax subsidies for excessive executive pay cost taxpayers \$14.4 billion per year -- \$46 for every man, woman and child,' who, in effect, buy a CEO lunch, with a glass of wine, once a year.

Capitalists picking the nation's pocket also means that 'a Bridgeport, Conn., high school teacher ends the year without enough paper for final exams'; 61,000 poor Pennsylvania residents, most disabled, lost their \$200 monthly assistance grant; in Monterey, Calif., stalking victims appeal vainly to a reduced judicial system for restraining orders -- all as tens of billions of scarce tax dollars are diverted into the bulging wallets of the wealthy.

Hail, Mammon!

Whether the GOP-supporting U.S. hierarchy has the stomach to emulate its earlier episcopal brothers and tackle a nation losing its moral economic moorings is doubtful. This is not a breed of men with expansive minds.

Catholic bishops today apparently limit their sociopolitical involvement to everything below the belt.

[Arthur Jones is *NCR* books editor.]

ON THE WEB

The Institute for Policy Studies' Executive Excess 2012 report can be downloaded at www.ips-dc.org/reports/executive_excess_2012.

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